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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92049926			
Party	Defendant Cloudstreet, Inc. dba Roxbury Entertainment			
Correspondence Address	Cloudstreet, Inc. dba Roxbury Entertainment 201 Wilshire Boulevard, Second Floor Santa Monica, CA 90401 UNITED STATES			
Submission	Motion to Suspend for Civil Action			
Filer's Name	PAUL D. SUPNIK			
Filer's e-mail	paul@supnik.com			
Signature	/paul d. supnik/			
Date	10/07/2008			
Attachments	Registrant's Motion to Suspend.pdf (69 pages)(3941810 bytes)			

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

PENTHOUSE DIGITAL MEDIA PRODUCTIONS, INC.,

Petitioner,

٧.

CLOUDSTREET, INC. DBA ROXBURY ENTERTAINMENT.

Registrant.

Cancellation No. 92049926

Registration Nos. 3189543; 3194255; 3291736

Registered: December 26, 2006; January 2, 2007; September 11, 2007

Mark: ROUTE 66

REGISTRANT'S MOTION TO SUSPEND

Commissioner for Trademarks P.O. Box 1451 Alexandria, VA 22313-1451

Petitioner CLOUDSTREET, INC. hereby moves to suspend proceedings in the above-captioned cancellation, pursuant to 37 C.F.R. § 2.117. Federal Court litigation is currently pending between these same parties involving the same marks, a trademark infringement, dilution and unfair competition action in the Central District of California filed June 12, 2008, Case No. CV 08-03872 FMC (JWJx) as shown in the Complaint [EXHIBIT 1], and Petitioner's Answer to the

Complaint [EXHIBIT 2] in that Action. In this Federal Court case, a significant

issue before the District Court is whether the Registrant's ROUTE 66 Marks are

infringed and are confusingly similar to Petitioner's use of ROUTE 66 as a

trademark, as raised in this Cancellation Proceeding. The application rule

states:

"37 CFR § 2.117 Suspension of proceedings.

(a) Whenever it shall come to the attention of the Trademark Trial and

Appeal Board that a party or parties to a pending case are engaged in a

civil action or another Board proceeding which may have a bearing on the

case, proceedings before the Board may be suspended until termination

of the civil action or the other Board proceeding."

The District Court lawsuit, if not in fact dispositive of the issues raised in this

Cancellation Proceeding, will have a significant bearing on this Cancellation

Proceeding, warranting suspension under 2.117(a).

CONCLUSION

Since a civil action is pending, this Cancellation Proceeding should be

suspended pending a final decision in the civil action, and Petitioner requests

that this matter be suspended under Section 2.117(a).

Dated: October 7, 2008

Respectfully submitted,

Paul D. Supnik

9401 Wilshire Boulevard, Suite 1012

Beverly Hills, California 90212

Telephone: (310) 859-0100

Facsimile: (310) 388-5645

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing <u>REGISTRANT'S</u> <u>MOTION TO SUSPEND</u> was served by first class mail, postage prepaid, on this 7^{TH} day of October 2008, upon counsel for Petitioner:

Floyd A. Mandell, Esq. Lisa K. Shebar, Esq. Cathay Y. N. Smith, Esq. Katten Muchin Rosenman LLP 525 West Monroe Street Chicago, IL 60661

> /s/ PAUL D. SUPNIK

EXHIBIT 1 TO REGISTRANT'S MOTION TO SUSPEND

2 3 4 5	KIRK M. HALLAM (SBN 108975) LAW OFFICES OF KIRK M. HALLAM 201 Wilshire Boulevard, 2nd Flo Santa Monica, California 9040; Tel: (310) 393-4006 Fax: (310) 393-4662 Email: KMHallam@aol.com Attorneys for Plaintiff ROXBURY ENTERTAINMENT	
8		
9	1	ES DISTRICT COURT
10	CENTRAL DISTI	RICT OF CALIFORNIA
11		CV08-03872 FMC (/W/x)
12 13	ROXBURY ENTERTAINMENT, a California corporation,) Case No.
14	Plaintiff,) COMPLAINT FOR:
15	vs.) (1) VIOLATION OF THE LANHAM) ACT
16	PENTHOUSE MEDIA GROUP, INC.,) (2) FEDERAL TRADEMARK) INFRINGEMENT
17	a Nevada corporation; PENTHOUSE DIGITAL MEDIA) (3) VIOLATION OF FEDERAL
18	PRODUCTIONS, INC., a New York corporation;) ANTI-DILUTION LAW (4) VIOLATION OF STATE ANTI-
19	PULSE DISTRIBUTION, LLC, a) DILUTION LAW
	California LLC; and DOES 1-) (5) COMMON LAW UNFAIR
20	10, inclusive,) COMPETITION) (6) STATUTORY UNFAIR
21	Defendants.) COMPETITION (CALIFORNIA
22		BUSINESS & PROFESSIONS CODE \$17200)
23) (7) UNJUST ENRICHMENT
į)
24) [DEMAND FOR JURY TRIAL]
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26		
27		

Plaintiff Roxbury Entertainment ("Roxbury") alleges as follows:

NATURE OF THE ACTION

- 1. This action arises out of Defendants' manufacture, distribution, marketing and sale of a pornographic film and DVDs prominently featuring Plaintiff's "Route 66" trademark, a federally registered and world famous mark ("Roxbury's Trademark(s), " "Trademark(s)" or "Mark(s)") widely associated with Plaintiff and Plaintiff's "Route 66" DVDs, television programs and related products continuously distributed throughout the United States for the past 48 years by Roxbury and its predecessors-in-interest. Not only are Defendants Penthouse Digital Media Productions, Inc. and Penthouse Media Group, Inc. (collectively "Penthouse") and Pulse Distribution, LLC ("Pulse") unlawfully and intentionally infringing Roxbury's registered and common law Trademarks by manufacturing, marketing and selling DVDs using the exact same mark as Roxbury's Trademark to sell their pornographic product, but Defendants also are tarnishing and diluting Roxbury's Trademarks through their use on Defendants' grossly inferior products, poorly produced pornography with virtually no storyline, dialogue or acting (Defendants' "Pornographic Film and DVDs"), products which are grossly inferior to Roxbury's award winning, classic television and filmed entertainment.
- 2. Plaintiff's Route 66 Trademark is used and has been used for more than 48 years to identify the source of the 116 award winning episodes of its highly rated classic television program which was created and written in the 1960's by Academy

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Award winner "Sterling Silliphant" (In the Heat of the Night) and award winning Executive Producer Herbert Leonard (Naked City, Rin Tin Tin, Route 66) for Sony/Screen Gems Entertainment ("Sony"). Throughout the 1960's, 70's and 80's, Sony and Leonard working together used the Route 66 Trademark to identify, market and advertise their television episodes featuring two young and adventurous travelers, driving their convertible sports car (Corvette) from American town to town, in search of existential meaning and their place in American life and culture. The "Route 66" program was unique in American entertainment history, involving itinerant characters in an anthology of stories, each one filmed on location and representative of America's people, history and culture, with the Heartland of America as its backdrop.

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- 3. In the early 1990's, Leonard and Sony created, produced and distributed a new "Route 66" television program, which they again advertised, marketed and distributed using the same Route 66 Trademark, also featuring two young men in a convertible sports car traveling America in search of meaning and adventure. And throughout the 1990's, Leonard and Sony continued to promote and distribute their "Route 66" television programs, via television broadcast and video cassette, throughout the United States and around the world, creating world-wide audience recognition for the Route 66 Trademark as the source and origin of their classic entertainment content.
- 4. In 2001, Leonard, through his wholly-owned company
 "Lancer Productions" ("Lancer"), sold and assigned to Plaintiff
 Roxbury Entertainment ("Roxbury") all of its rights in and to the

"Route 66" television programs and intellectual property, including Lancer's goodwill and rights in the Route 66 Trademark, for use in connection with the production and sale of entertainment content, including but not limited to episodes of the two prior "Route 66" television programs, as well as any remakes, sequels and/or any feature film adaptations of the "Route 66" television programs and related merchandise (hereafter "Route 66 Products"). Also in 2001, Roxbury began to develop its own "Route 66" film and television programs, to be marketed and sold utilizing the Route 66 Trademark made famous by Roxbury and its predecessors-in-interest.

- 5. In 2004, Roxbury acquired from Sony as the distributor of "Route 66" all of its remaining rights in and to the "Route 66" television programs and intellectual property rights therein, including but not limited to the copyrights and trademarks for "Route 66" and the right to use such copyrights and trademarks for purposes of producing and distributing remakes, sequels and feature film adaptations of "Route 66" and/or any other entertainment products and related merchandise under the "Route 66" Mark.
- 6. Also commencing in 2004, Roxbury commenced distribution, licensing and marketing of the existing "Route 66" television programs, and in 2005, produced, marketed and distributed the first-ever "Route 66" DVD product, featuring eleven re-edited episodes of the "Best of Route 66" with special features about the program, it's stars, its connection to the Corvette and its place in American entertainment and cultural history. And in 2005, Roxbury also commenced internet marketing

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and distribution of its "Route 66" television programs, and licensed Amazon to distribute the "Route 66" programs through its website.

- In December of 2006, Roxbury obtained a Federal 7. Trademark Registration for its Route 66 Trademark for Pre-Recorded DVDs and Videocassettes (International Class 9, prior US Classes 21, 23, 26, 36 and 38) which was registered by the US Patent and Trademark office on December 26, 2006 (Trademark Registration Certificate No. 3,189,543).
- In January of 2007, Roxbury obtained a Federal Service Mark Registration for its Route 66 Trademark for Entertainment Services (International Class 41, prior US Classes 100, 101 and 107) which was registered by the US Patent and Trademark Office on January 2, 2007 (Trademark Registration Certificate No. 3,194,255).
- And in September of 2007, Roxbury obtained a Federal Trademark Registration for its Route 66 Trademark for Motion Picture Films (International Class 9, prior US Classes 21, 23, 26, 36 and 38) which was registered by the US Patent and Trademark Office on September 11, 2007 (Trademark Registration Certificate No. 3,291,736).
- 10. For 41 years, Roxbury's predecessors-in-interest (Lancer and Sony) jointly produced, distributed, advertised and marketed their Route 66 Products prominently displaying the Route 66 Trademark to identify their source and origin, and for the past 7 years, Roxbury as the successor-in-interest to all of Sony and Lancer's rights in and to the Route 66 Products and Trademark, have continuously advertised, marketed and sold Route

66 Products utilizing the Route 66 Mark to identify the source and origin of those products, and have actively developed and produced additional entertainment products utilizing the Route 66 Trademark.

- 11. In May of 2008, Roxbury learned of Defendants' exploitation of the "Route 66" Mark in connection with its Pornographic Film and DVDs, and on May 12, 2008, Roxbury's counsel sent a "cease and desist" letter to the General Counsel for Penthouse, and to the Agent for Service of Process for Pulse, demanding, inter alia, that Defendants and their co-conspirators immediately discontinue the manufacture, sale and marketing of their Pornographic Film and DVDs utilizing the Trademark "Route 66."
- 12. On May 19, 2008, General Counsel for Defendants

 Penthouse responded to Roxbury's cease and desist letter with a refusal to recognize Roxbury's Registered Trademarks in "Route 66" and its outright rejection of Roxbury's demands, contending that its Pornographic Films and DVDs utilizing the "Route 66" Mark did not infringe Roxbury's Trademarks, and refusing to discontinue its manufacture, marketing and sale of its products prominently displaying the Route 66 Trademark.
- 13. Defendant's General Counsel asserted in his responsive letter to Plaintiff's counsel that Defendants' Pornographic Film and DVDs were a "fair use" of Roxbury's Registered and Common Law Trademarks because, he contended, its use of the Route 66 Mark on the work's "cover art" was an accurate description of "the story's theme and subject matter: road related adventures transpiring on and around Route 66." In fact, nothing could be

further from the truth: The content of Defendants' Pornographic Film and DVDs contains no "story" or "road-related adventure transpiring on and around Route 66." Rather, the Film is pure pornography with no more than a few seconds of dialogue (making no reference to Route 66 or adventure on the open road) preceding the oral and anal sex between and among various men and women, the Film's only story, a "story" which all takes place at the apparently fictitious "Pink Motel" and not on the open road or anywhere near Route 66.

14. In Defendants' Pornographic Film and DVDs, no mention is made of the Highway "Route 66" by any of the "actors," nor is there any footage of the actual "Mother Road" or the American towns, people and culture which make up this iconic Highway. Defendants' Pornographic Film and DVDs could much more accurately be called "Sex in and Around the Pink Motel," since it has absolutely nothing to do with "Route 66" except for Defendants' blatant exploitation of Roxbury's Route 66 Trademark, on the cover art, packaging and menu of the DVD, an exploitation intended to confuse the consuming public as to the affiliation, source and origin of Defendants' product.

JURISDICTION AND VENUE

15. This action arises under the United States Lanham Act, 15 U.S.C. §1125, et seq. This Court has original jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1338 and 15 U.S.C. §1121(a). The Court has

- 16. This Court has personal jurisdiction over each of the Defendants named in this Complaint, because each Defendant does sufficient business, has sufficient minimum contacts with California and this Judicial District, and/or is resident in this Judicial District, and/or otherwise intentionally avails itself of the California and Los Angeles markets, through the sale, marketing, advertising and distribution of its products in this Judicial District, including the specific product at issue in this litigation, to render the exercise of jurisdiction over it by this Court consistent with traditional notions of fair play and substantial justice.
- U.S.C. §§1391(b) and (c) and 1400(a), in that a substantial part of the events giving rise to Roxbury's claims occurred in this Judicial District, Defendants' products, including the offending products at issue in this litigation, are sold in this Judicial District, and one or more Defendants reside and may be found in this Judicial District, within the meaning of 28 U.S.C. §§1391(c) and 1400(a).

THE PARTIES

18. Roxbury is a California corporation based in Santa Monica, California (steps from the official end of the Route 66 Highway), and is in the business of producing, acquiring and distributing entertainment content (classic television programs and motion pictures) for distribution via DVDs, the internet, and

theatrical and television exhibition throughout the world.

Roxbury's principal place of business is in Santa Monica,

California, where Roxbury maintains an office and staff who

oversee the development, production, acquisition, marketing,

distribution and protection of its intellectual property,

television programs, DVDs and films, throughout the United States

and the world, and who oversee the licensing and merchandising of

its intellectual properties, including and most significantly its

"Route 66" registered Trademarks and Products.

- 19. Roxbury is informed and believes, and based thereon alleges, that defendant Penthouse Media Group, Inc., doing business as "Penthouse," is a corporation organized and existing under the laws of the State of Nevada, with its principal places of business in Boca Raton, Florida, and New York, New York.

 Roxbury is further informed and believes, and based thereon alleges, that this Defendant produces, markets and distributes pornographic DVDs and films throughout the United States, including in this Judicial District.
- 20. Roxbury is informed and believes, and based thereon alleges, that defendant Penthouse Digital Media Productions, Inc., doing business as "Penthouse," is a corporation organized and existing under the laws of the State of New York, with its principal places of business in Boca Raton, Florida, and New York, New York.
- 21. Roxbury is further informed and believes, and based thereon alleges, that this Defendant produces, markets and distributes pornographic DVDs and films throughout the United States, including in this Judicial District.

- 22. Roxbury is informed and believes, and based thereon alleges, that defendant Pulse Distribution, LLC ("Pulse") is a California Limited Liability Company with its principal place of business in Chatsworth, California, is a company organized and existing under the laws of the State of California and conducts business in, and markets, distributes and sells pornographic films and DVDs throughout the United States and including this Judicial District.
- 23. Roxbury is unaware of the true names and capacities of the defendants sued herein as Does 1 through 10, inclusive, and therefore sues these defendants by fictitious names. Roxbury will seek leave of the Court to amend this Complaint to allege their true names and capacities when ascertained. Roxbury is informed and believes, and based thereon alleges, that each fictitiously named defendant is responsible in some way for the creation, production, sale and/or distribution of the infringing products at issue in this Complaint, and is liable to Roxbury therefor. Penthouse, Pulse and Does 1 through 10 are sometimes referred to collectively herein as "Defendants."
- 24. Roxbury is informed and believes, and based thereon alleges, that at all times relevant herein, each of the Defendants was the agent, servant or employee of each other Defendant, and at all times relevant herein was acting in whole or at least in part within the scope of such agency. As such, each and every Defendant herein is equally responsible in whole or in part for each and every act alleged herein.

ALLEGATIONS COMMON TO ALL CLAIMS FOR RELIEF

- 25. Plaintiff's Route 66 Products have been widely distributed in the United States and throughout the world continuously and pervasively since 1960. In the course of the production and distribution of these Route 66 Products, Roxbury and its predecessors in interest and licensees have expended significant effort advertising, marketing and promoting these entertainment products under titles bearing the name of, and prominently featuring, the Route 66 Mark on the products, their content, their packaging and their marketing and advertising materials.
- 26. As a result of the success and popularity of its Route 66 Products, Roxbury and its predecessors in interest and licensees have, for almost five decades, engaged in the business of merchandising and promoting Route 66 Products throughout the US and the world.
- 27. Beginning in 2006, Roxbury duly registered the name "Route 66" as service marks and trademarks in several applicable entertainment classifications, under the Lanham Act, 15 U.S.C. \$1051 et seq., and Roxbury remains to this date the exclusive owner of these Registered and Common Law Trademarks for "Route 66" on or in connection with their entertainment products and services.
- 28. Roxbury and its predecessors-in-interest have developed an excellent reputation and highly valuable goodwill in the Route 66 Trademark, and the products, goods and services featuring that Trademark. Through the consistent and extensive advertising and widespread distribution and success of Roxbury's

Products featuring the Route 66 Trademark, the advertising and distribution of merchandise featuring the Route 66 Trademark, and the use of the Route 66 Trademark in national and/or regional advertising campaigns, a secondary meaning has been created in the minds of the public throughout the United States, and throughout the world, by which the Route 66 Trademark has become strongly identified and associated with Roxbury and Roxbury's series of television programs, films, DVDs and merchandise featuring the Route 66 Mark. Roxbury therefore has acquired common law trademark rights in the Route 66 Trademark in addition to its federally-registered Route 66 Marks.

- 29. In addition, and also as a result of the extensive advertising and widespread distribution and success of Roxbury's Route 66 Products, the advertising and distribution of merchandise featuring the Route 66 Trademark, and the use of the Route 66 Trademark in national and/or regional advertising campaigns, the Route 66 Trademarks are famous throughout the United States and the world and are immediately recognizable to and known by the public.
- 30. Roxbury is informed and believes, and based thereon alleges, that Defendants have exploited Defendants' Pornographic Film and DVDs, prominently featuring and exploiting the Route 66 Trademark, by without limitation, advertising and distributing such products in interstate commerce and throughout the United States, including Los Angeles.
- 31. Roxbury has demanded that Defendants cease selling
 Defendants' Pornographic Film and DVDs featuring and exploiting
 the Route 66 Trademark, but Defendants have refused to do so.

32. Defendants have never sought from Roxbury, nor has
Roxbury every granted Defendants, permission or consent to
utilize or exploit the Route 66 Trademark on or in connection
with any goods or merchandise or for any purpose whatsoever, or
to authorize others to engage in any of the foregoing activities.

33. By designing, manufacturing, reproducing, advertising, marketing, displaying, selling, distributing and otherwise exploiting their Pornographic Film and DVDs featuring the Route 66 Trademark, and/or by authorizing or contributing to the foregoing, Defendants have obtained for themselves a benefit which is otherwise paid for by others and have obtained valuable property rights belonging to Roxbury without having paid for them.

FIRST CLAIM FOR RELIEF

Against All Defendants for Violation of

Section 43(a) of the Lanham Act

- 34. Roxbury Entertainment realleges and incorporates by this reference the allegations contained in paragraphs 1 through 33, inclusive, as though they were fully set forth herein.
- 35. By, without limitation, designing, manufacturing, reproducing, importing, advertising, marketing, displaying, selling, distributing, licensing and otherwise exploiting Defendants' Pornographic Film and DVDs prominently bearing the trademark "Route 66" on the product, its packaging and its marketing and advertising materials, Defendants have created, and will continue to create, a likelihood of confusion in the marketplace as to the source of Defendants' Pornographic Film and

DVDs, and have falsely created the impression in the minds of the consuming public that Defendants are somehow associated, affiliated or connected with Roxbury Entertainment and its Route 66 Products, that Roxbury sponsored or endorsed the merchandise at issue, and/or that Roxbury approved or authorized Defendants' use of its Route 66 Trademark on Defendants' Pornographic Film and DVDs. Such conduct violates Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a).

- 36. As a direct and proximate result of Defendants' wrongful conduct, Roxbury has been damaged and is entitled to recover Defendants' wrongfully obtained profits and three times Roxbury's actual damages, pursuant to 15 U.S.C. §1117(a).
- 37. Defendants' violation of the Lanham Act has caused and will cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary and permanent injunctive relief preventing Defendants from continuing to use the Route 66 Trademark on or in connection with the sale of its Pornographic Film or DVDs, or any confusingly similar variations, or in connection with any products, goods or services.
- 38. Defendants engaged in the foregoing conduct knowingly, willfully and oppressively, intending to appropriate Roxbury's intellectual property to the detriment of Roxbury and to the confusion of the public. This constitutes an exceptional case within the meaning of Section 35 of the Lanham Act, 15 U.S.C. \$1117, for which Roxbury should recover its attorneys' fees and costs incurred in connection herewith.

22.

SECOND CLAIM FOR RELIEF

Against All Defendants for Federal Trademark Infringement

- 39. Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 38, inclusive, as though they were fully set forth herein.
- 40. Defendants' unauthorized use of a counterfeit, copy or precise imitation of Roxbury's Registered Trademarks on and in connection with Defendants' Pornographic Film and DVDs creates confusion in the marketplace and constitutes an infringement of Roxbury's Registered Trademarks in violation of 15 U.S.C. §1114. Roxbury is informed and believes, and based thereon alleges, that Defendants' use and exploitation of the Route 66 Mark was willful, intentional, that Defendants were aware and are aware of Roxbury's Registered and Common Law Trademarks, and that Defendants purposefully used Roxbury's Trademarks to trade on Roxbury's reputation, to cause confusion, mistake and/or deception, and to take advantage of the goodwill and public recognition associated with the Route 66 Trademarks for their own commercial advantage.
- 41. As a direct and proximate result of Defendants' trademark infringement, Roxbury has been damaged and is entitled to recover Defendants' wrongfully obtained profits and three times Roxbury's actual damages, pursuant to 15 U.S.C. §1117(a).
- 42. Defendants' trademark infringement has caused and will cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law.

 Therefore, in addition to monetary relief, Roxbury is entitled to

43. Defendants engaged and continue to engage in the foregoing conduct knowingly, willfully and oppressively, intending to appropriate Roxbury's intellectual property to the detriment of Roxbury and to the confusion of the public. This constitutes an exceptional case within the meaning of Section 35 of the Lanham Act, 15 U.S.C. §1117, for which Roxbury should recover its attorneys' fees and costs incurred herein.

THIRD CLAIM FOR RELIEF

Against All Defendants for Violation of Federal Anti-Dilution Law (15 U.S.C. §1125(c))

- 44. Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 43, inclusive, as though they were fully set forth herein.
- 45. By, without limitation, designing, manufacturing, reproducing, importing, advertising, marketing, displaying, selling, distributing, licensing and otherwise exploiting Defendants' Pornographic Film and DVDs, Defendants have created, and will continue to create, a likelihood of dilution and tarnishment of the distinctive and superior quality of Roxbury's famous Route 66 Trademark and Route 66 Products, because Roxbury cannot control the quality of Defendants' merchandise or the manner in which Defendants utilize that Trademark on and in Defendants' merchandise.

- 46. Defendants' Pornographic Film and DVDs are grossly inferior products to those of Plaintiff, featuring little or no dialogue by "actors" who display no apparent acting talent and are so embarrassed by their performances that they use pseudonyms to hide their true identities, and contain no storylines or themes other than the very graphic exhibitions of oral, anal and violent sex between and among various men and women in a random fashion.
- 47. Roxbury is informed and believes, and based thereon alleges, that Defendants' use and exploitation of the Route 66 Trademarks was willful and intentional, that Defendants were and are aware of Roxbury's Registered and Common Law Trademarks, and that Defendants purposefully used and continue to use Roxbury's Trademarks to trade on Roxbury's reputation, to cause confusion, mistake and/or deception, and to take advantage of the goodwill and public recognition associated with the Route 66 Trademark and Products for their own commercial advantage.
- 48. Accordingly, as a direct and proximate result of Defendants' wrongful conduct, Roxbury has been substantially damaged and is entitled to recover Defendants' wrongfully obtained profits and three times Roxbury's actual damages, pursuant to 15 U.S.C. §1117(a).
- 49. Defendants' violation of the Federal Anti-Dilution Law has caused and will cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary and permanent injunctive relief preventing Defendants from continuing to use Roxbury's

50. Defendants engaged and continue to engage in the foregoing conduct knowingly, willfully and oppressively, intending to appropriate Roxbury's intellectual property to the detriment of Roxbury and to the confusion of the public. This constitutes an exceptional case within the meaning of Section 35 of the Lanham Act, 15 U.S.C. §1117, for which Roxbury should recover its attorneys' fees and costs incurred herewith.

2.1

FOURTH CLAIM FOR RELIEF

Against All Defendants for Violation

of State Anti-Dilution Law

(California Business & Professions Code §14330)

- 51. Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 50, inclusive, as though they were fully set forth herein.
- 52. Roxbury's Route 66 Trademark is a strong and well recognized mark and thus entitled to protection as a "distinctive mark" under the California Anti-Dilution statute, California Business and Professions Code §14330.
- 53. By, without limitation, designing, manufacturing, reproducing, importing, advertising, marketing, displaying, selling, distributing, licensing and otherwise exploiting Defendants' Pornographic Film and DVDs, Defendants have created, and will continue to create, a likelihood of injury to Roxbury's business reputation and/or dilution of the distinctive quality of the Route 66 Trademarks, and Roxbury's reputation and products

- 54. As a direct and proximate result of the foregoing conduct of Defendants, Roxbury has suffered and continues to suffer monetary damages and is therefore entitled to an award of such damages in an amount to be proven at trial.
- 55. Defendants' violation of California's Anti-Dilution Law has caused and will continue to cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary and permanent injunctive relief preventing Defendants from continuing to use Roxbury's Route 66 Trademarks, or any confusingly similar variations, on or in connection with its Pornographic Film and DVDs and/or any other products, goods or services.

22.

FIFTH CLAIM FOR RELIEF

Against All Defendants for Common Law Unfair Competition

- 56. Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 55, inclusive, as though they were fully set forth herein.
- 57. By their conduct as alleged above, Defendants have violated and infringed Roxbury's common law rights in its Route 66 Trademarks, and have otherwise competed unfairly with Roxbury and Roxbury's authorized licensees in violation of the common law of the State of California.

- 58. As a direct and proximate result of Defendants' conduct, Roxbury has suffered and is entitled to monetary damages in an amount to be proven at trial.
- engaged in outrageous and despicable conduct and have acted with ill will, malice and oppression toward Roxbury and in conscious disregard of Roxbury's rights. Roxbury is therefore entitled to recover, in addition to actual damages, exemplary and punitive damages under California Civil Code §3294, in an amount sufficient to punish and make an example of Defendants.
- 60. Defendants' unlawful conduct has caused and continues to cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary injunctive relief enjoining Defendants from engaging in further acts of unfair competition.

SIXTH CLAIM FOR RELIEF

Against All Defendants for Statutory Unfair Competition (California Business & Professions Code §17200 et seq.)

- 61. Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 60, inclusive, as though they were fully set forth herein.
- 62. By their conduct as described above, Defendants have intentionally and willfully engaged in unlawful, unfair and fraudulent methods of competition, and unfair or deceptive acts or practices in violation of \$17200 et seq. of the California Business and Professions Code.

- irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, Roxbury is entitled to preliminary and permanent injunctive relief enjoining Defendants from engaging in further unfair and deceptive trade practices.
- 64. Roxbury is further entitled to an order pursuant to \$17203 of the California Business and Professions Code restoring to Roxbury all of its interest in monies that were acquired by Defendants by means of any unlawful acts or practices hereunder.

SEVENTH CLAIM FOR RELIEF

Against All Defendants for Unjust Enrichment

- 65. Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 64, inclusive, as though they were fully set forth herein.
- 66. By their conduct as alleged above, Defendants have unjustly retained a benefit to the detriment of Roxbury, and such benefit violates the fundamental principles of justice, equity and good conscience.
- 67. Accordingly, Roxbury is entitled to an order requiring Defendants to disgorge any and all such ill-gotten gains to Roxbury.

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PRAYER FOR RELIEF

WHEREFORE, Roxbury prays judgment on its Complaint as follows:

- 1. For preliminary and permanent injunctive relief restraining and enjoining Defendants and their officers, agents, employees, representatives, partners, servants, licensees, distributors, retailers, assigns, subsidiaries and all persons acting in concert or cooperation with any one or more of them, or on any of their respective behalves, from:
- (a) designing, manufacturing, reproducing, importing, advertising, marketing, displaying, selling, distributing, licensing and otherwise exploiting Defendants' Pornographic Film and DVDs featuring or displaying the Route 66 Trademark in any way, shape or form.
- (b) using the Route 66 Trademark or any other design or word mark that is a colorable imitation of, or is likely to cause confusion with the Route 66 Trademark, on or in connection with the designing, manufacturing, reproducing, importing, advertising, marketing, displaying, selling, distributing, licensing or other exploitation of any product, good or service;
- (c) diluting or tarnishing the distinctive quality of the Route 66 Trademark;
 - (d) unfairly competing with Roxbury in any manner.
- 2. That Defendants be required to deliver up to Roxbury for destruction all copies of Defendants' Pornographic Film and DVDs and all packaging, masters, discs, artwork, catalogs and advertising material related thereto.

- 4. That Defendants, within thirty days after service of judgment with notice of entry thereof upon it, be required to file with the Court and serve upon Roxbury's attorneys a written report under oath setting forth in detail the manner in which Defendants have complied with the requirements of the injunction and order.
- 5. That Defendants be required to account for and pay over to Roxbury their profits plus the actual compensatory damages sustained by Roxbury by reason of Defendants' unlawful conduct alleged herein, and that the amount of recovery be increased up to three times actual damages suffered by Roxbury, as provided by 15 U.S.C. §1117(a)(3).
- 6. For an order pursuant to §17203 of the California Business and Professions Code restoring to Roxbury all of its interest in monies that were acquired by Defendants by means of their unlawful acts and practices hereunder.
- 7. For an order requiring Defendants to disgorge any and all gains or benefits conferred upon Defendants as a result of their violations of law.
- 8. For punitive and exemplary damages sufficient to punish Defendants and deter their wrongful conduct in the future.
- 9. For Roxbury's attorneys' fees and costs incurred herewith.

1	10. For pre-judgment interest at the maximum legal rate.
2	11. For such other and further relief as the Court may deem
3	just and proper.
4	Dated: June 12, 2008
5	LAW OFFICES OF KIRK M. HALLAM
6	HAW OFFICES OF KIRK M. HADDAM
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8	By: Kiel In The Clam
9	KIRK M. HALLAM Attorney for Plaintiff
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DEMAND FOR JURY TRIAL Plaintiff Roxbury hereby demands a jury trial of all issues so triable, as provided by Rule 38(a) of the Federal Rules of Civil Procedure. June 12, 2008 Dated: LAW OFFICES OF KIRK M. HALLAM By: KIRK M. HALLAM Attorney for Plaintiff

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA CIVIL COVER SHEET

2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III) 6 Parties in Item III) 7 ORIGIN (Place an Xin one box only.) 7 Original 2 Removed from 3 Remanded from 4 Reinstated or 5 Transferred from another district (specify): 6 Multi-District District Di	1 (a) PLAINTIFFS (Check box if you are representing yourself □) ROXBURY ENTERTAINMENT, a California corporation			DEFENDANTS PENTHOUSE MEDIA GROUP, INC., a Nevada corporation PENTHOUSE DIGITAL MEDIA PRODUCTIONS, INC., a New York corporation PULSE DISTRIBUTION, LLC. a California Limited Liability Company			
IL ASSIS OF JURISDICTION (Place an X in one box only) III. CITIZENSIIIP OF PRINCIPAL PARTIES. For Diversity Concernment Not a Party)	yourself, provide same.) KIRK M. HALLAM LAW OFFICES OF KIRK N	(310) 393-4006 M. HALLAM, 201 WILSHIRE BL		Attorneys (If Known)			
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V. REQUESTED IN COMPLAINT: JURY DEMAND: Sives No (Check 'Yes' only if demanded in complaint.) according to proof.	IV. ORIGIN (Place an X in one	box only.)					
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AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.	FOR OFFICE USE ONLY:	0400 . (0)110			ORMATION REQUESTED	BELOW.	

CIVIL OVER SHEET 0 S - 0 3 8 7 2

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has the If yes, list case number(s):	iis action been preví	ously filed in this court and	d dismissed, remanded or closed? Isf No □ Yes
VIII(b). RELATED CASES: Have a If yes, list case number(s):		ously filed in this court that	t are related to the present case? 🗹 No 🖸 Yes
☐ C. Fo ☐ D. In IX. VENUE: (When completing the fo	ise from the same of all for determination or other reasons wou wolve the same pater allowing information	r closely related transaction of the same or substantially ld entail substantial duplica nt, trademark or copyright, n, use an additional sheet if	ly related or similar questions of law and fact, or ation of labor if heard by different judges; or and one of the factors identified above in a, b or c also is present. f necessary.)
(a) List the County in this District, Ca Check here if the government, its	llifornia County out agencies or employe	side of this District; State if ses is a named plaintiff. If t	f other than California; or Foreign Country, in which EACH named plaintiff resides. this box is checked, go to item (b).
County in this District:* ROXBURY ENTERTAINMENT	- LOS ANGELES	S COUNTY	California County outside of this District; State, if other than California; or Foreign Country
(b) List the County in this District; County i	alifornia County out agencies or employe	side of this District, State it ees is a named defendant. I	if other than California; or Foreign Country, in which EACH named defendant resides. If this box is checked, go to item (c).
County in this District:*		:	California County outside of this District; State, if other than California; or Foreign Country
PULSE DISTRIBUTION, LLC -	LOS ANGELES	COUNTY	PENTHOUSE MEDIA GROUP, INC., Nevada PENTHOUSE DIGITAL MEDIA PRODUCTIONS, INC., New York
(c) List the County in this District; C Note: In land condemnation case	alifornia County out	tside of this District; State i	
County in this District:*			California County outside of this District; State, if other than California; or Foreign Country
EACH CLAIM AROSE IN LOS	ANGELES COU	NTY	
* Los Angeles, Orange, San Bernard Note: In land condemnation cases, use	lino, Riverside, Ver	ntura, Santa Barbara, or S tract of Jand involved	San Luis Obispo Counties
X. SIGNATURE OF ATTORNEY (C		~ / . / . ~ ~	Date JUNE 12, 2008
Notice to Counsel/Parties: The	CV-71 (JS-44) Civ	ed by the Judicial Conference	ormation contained herein neither replace nor supplement the filing and service of pleadings acc of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed ating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)
Key to Statistical codes relating to Soc	cial Security Cases:		
Nature of Suit Code	Abbreviation	Substantive Statement of	of Cause of Action
861	НІА	All claims for health insu Also, include claims by h program. (42 U.S.C. 193	urance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. hospitals, skilled nursing facilities, etc., for certification as providers of services under the 35FF(b))
862	BL	All claims for "Black Lui (30 U.S.C. 923)	ing" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969.
863	DIWC	All claims filed by insure amended; plus all claims	ed workers for disability insurance benefits under Title 2 of the Social Security Act, as sfiled for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	Act, as amended. (42 U.	
864	SSID	All claims for supplement Act, as amended.	ntal security income payments based upon disability filed under Title 16 of the Social Security
865	RSI	All claims for retirement U.S.C. (g))	t (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42

NAME, ADDRESS & TELEPHONE NUMBER OF ATTORNEY(S) FOR OR, PLAINTIPF OR DEFENDANT IS PROPER KIRK M. HALLAM (CSB 108975) LAW OFFICES OF KIRK M. HALLAM 201 WILSHIRE BOULEVARD, 2ND FL SANTA MONICA, CA 90401 TEL: 310-393-4006 EMAIL: KMHallam@aol.com	Y	CENTRAL DISTRICT COURT CENTRAL DIST. OF CALIF. Les Angeles	2000 JUN 12 PM 43 07	n
ATTORNEYS FOR: plaintiff				nerodianska Ab 18

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

ROXBURY ENTERTAINMENT, a California corporation

Plaintiff(s),

CV08-03872 FMC

PENTHOUSE MEDIA GROUP, INC., a Nevada corporation; PENTHOUSE DIGITAL MEDIA PRODUCTIONS., etc., et al.

Defendant(s)

CERTIFICATION AND NOTICE OF INTERESTED PARTIES (Local Rule 7.1-1)

THE COURT AND ALL PARTIES APPEARING OF RECORD: TO:

The undersigned, counsel of record for Plaintiff Roxbury Entertainment (or party appearing in pro per), certifies that the following listed party (or parties) has (have) a direct, pecuniary interest in the outcome of this case. These representations are made to enable the Court to evaluate possible disqualification or recusal. (Use additional sheet if necessary.)

CONNECTION

(List the names of all such parties and identify their connection and interest.)

PENTHOUSE MEDIA GROUP, INC. PENTHOUSE DIGITAL MEDFIA PRODUCTINON, INC. PULSE DISTRIBUTION, LLC ROXBURY ENTERTAINMENT

DEFENDANT DEFENDANT DEFENDANT PLAINTIFF

6/12/08	heil M Hellen
Date	Sign

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA							
ROXBURY ENTERTAINMENT, a California	CASE NUMBER						
corporation, PLAINTIFF(S) V.	GV08-03872 FMC (JWJX)						
PENTHOUSE MEDIA GROUP, INC., a Nevada corporation; PULSE DISTRIBUTION, a California Limited Liability Company; and DOES 1-10, inclusive, DEFENDANT(S).	SUMMONS						
must serve on the plaintiff an answer to the attached ▼ counterclaim □ cross-claim or a motion under Rule 1 or motion must be served on the plaintiff's attorney, <u>KI</u> 201 WILSHIRE BLVD., 2ND FLOOR, SANTA MON judgment by default will be entered against you for the	2 of the Federal Rules of Civil Procedure. The answer RK M. HALLAM , whose address is TCA, CA 90401 If you fail to do so,						
your answer or motion with the court.	Clerk U.S. District Court						
JUN 1 2 2008 Dated:	By: Deputy Clerk						
	(Seal of the Court)						
[Use 60 days if the defendant is the United States or a United State 60 days by Rule 12(a)(3)].	es agency, or is an officer or employee of the United States. Allowe						

SUMMONS

CV-01A (12/07)

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Florence-Marie Cooper and the assigned discovery Magistrate Judge is Jeffrey W. Johnson.

The case number on all documents filed with the Court should read as follows:

CV08- 3872 FMC (JWJx)

Pursuant to General Order 05-07 of the United States District Court for the Central

	District of California, the Manager The Manager of California, the Manager of California (1997)	gistra	ite Judge has been designated	to he	ar discovery related
A	all discovery related motions	shou	ald be noticed on the calendar	of th	e Magistrate Judge
A co filed,	py of this notice must be served w a copy of this notice must be serv	rith the ved or	summons and complaint on all de	fendar	nts (if a removal action is
Sub	sequent documents must be filed a	at the	following location:		
[X]	Western Division 312 N. Spring St., Rm. G-8 Los Angeles, CA 90012		Southern Division 411 West Fourth St., Rm. 1-053 Santa Ana, CA 92701-4516	L	Eastern Division 3470 Twelfth St., Rm. 134 Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

AO 120 (Rev. 3/04)

TO:

Mail Stop 8 Director of the U.S. Patent and Trademark Office P.O. Box 1450

REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK

Alexandria, VA 22313-1450			TRADEMARK			
In Compliance	e with 35 U.S.C. § 290 and/or	15 U.S.C. § 1	1116 you are hereby advised that a court action has been on the following Patents or Trademarks:			
DOCKET NO.	DATE FILED	U.S. DIS	STRICT COURT			
PLAINTIFF			DEFENDANT			
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK		HOLDER OF PATENT OR TRADEMARK			
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DATE INCLUDED	INCLUDED BY	mendment	rademark(s) have been included: Answer Cross Bill Other Pleading			
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK		HOLDER OF PATENT OR TRADEMARK			
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	ve—entitled case, the followi	ng decision ha	as been rendered or judgement issued:			
DECISION/JUDGEMENT						
CLERK		(BY) DEPUT	Y CLERK DATE			

UNITED	STATES	DISTRICT	COURT
CENTRAI	L DISTRIC	CT OF CAL	.IFORNIA

ROXBURY ENTERTAINMENT

CASE NUMBER

CV08-3872 FMC (JWJx)

PLAINTIFF(S)

PENTHOUSE MEDIA GROUP, INC., ET AL.

DEFENDANT(S).

NOTICE TO PARTIES OF ADR PILOT PROGRAM

Dear Counsel,

The district judge to whom the above-referenced case has been assigned is participating in an ADR Pilot Program. All counsel of record are directed to jointly complete the attached ADR Pilot Program Questionnaire, and plaintiff's counsel (or defendant in a removal case) is directed to concurrently file the Questionnaire with the report required under Federal Rules of Civil Procedure 26(f).

Clerk, U.S. District Court

06/12/08

Date

By: LHORN

Deputy Clerk

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA				
ROXBURY ENTERTAINMENT	CASE NUMBER			
PLAINTIFF(S) V.	CV08- 3872 FMC (JWJx)			
PENTHOUSE MEDIA GROUP, INC., ET AL. DEFENDANT(S).	ADR PILOT PROGRAM QUESTIONNAIRE			
(1) What, if any, discovery do the parties believe is essential conference or mediation? Please outline with specificity the t date(s). Please outline any areas of disagreement int this regard that you will be able to take in the event this case does not se	ype(s) of discovery and proposed completion pard. Your designations do not limit the discovery			
(2) What are the damage amounts being claimed by each place laimed [e.g., lost profits, medical expenses (past and future), damage to reputation, etc.] and the portion of the total damage	lost wages (past and future), emotional distress,			

(3) Do the parties agree to utilize a private m	nediator in lieu of the court's ADR Pilot Program?	
Yes [] No []		
(4) if this case is in category civil rights - emp	ployment (442), check all boxes that describe the legal bases of	
[_] Title VII	[_] Age Discrimination	
[_] 42 U.S.C. section 1983	☐ California Fair Employment and Housing Ac☐ Rehabilitation Act	
Americans with Disabilities Act of 1990		
Other		
I hereby certify that all parties have discussed	I and agree that the above-mentioned responses are true and	
correct.	and and and	
Date	Attorney for Plaintiff (Signature)	
	Attorney for Plaintiff (Please print full name)	
Date	Attorney for Defendant (Signature)	
	Attornov for Defendent (DI	
	Attorney for Defendant (Please print full name)	

EXHIBIT 2 TO REGISTRANT'S MOTION TO SUSPEND

Document 13

Filed 07/30/2008

DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

Page 1 of 30

Case 2:08-cv-03872-FMC-JWJ

"Defendants") hereby provide their Answer and Affirmative Defenses to Plaintiff's Roxbury Entertainment ("Plaintiff") Complaint, as follows:

NATURE OF THE ACTION

Complaint Paragraph No. 1

This action arises out of Defendants' manufacture, distribution, marketing and sale of a pornographic film and DVDs prominently featuring Plaintiff's "Route 66" trademark, a federally registered and world famous mark ("Roxbury's Trademark(s)," "Trademark(s)" or "Mark(s)") widely associated with Plaintiff and Plaintiff's "Route 66" DVDs, television programs and related products continuously distributed throughout the United States for the past 48 years by Roxbury and its predecessors-in-interest. Not only are Defendants Penthouse Digital Media Productions, Inc. and Penthouse Media Group, Inc. (collectively "Penthouse") and Pulse Distribution, LLC ("Pulse") unlawfully and intentionally infringing Roxbury's registered and common law Trademarks by manufacturing, marketing and selling DVDs using the exact same mark as Roxbury's Trademark to sell their pornographic product, but Defendants also are tarnishing and diluting Roxbury's Trademarks through their use on Defendants' grossly inferior products, poorly produced pornography with virtually no storyline, dialogue or acting (Defendants' "Pornographic Film and DVDs"), products which are grossly inferior to Roxbury's award winning, classic television and filmed entertainment.

Answer to Paragraph No. 1

Defendants admit that they distributed, marketed and sold limited numbers of an adult entertainment film and DVD which employed the descriptive, historic, and widely used term "Route 66" in its title, combined with the world-famous PENTHOUSE trademark. Defendants affirmatively aver that such use was fair use as it has artistic relevance to the content of the underlying work. Defendants are without sufficient knowledge or information concerning the quality of Plaintiff's products, and the alleged forty-eight (48) years of continuous use claimed by Plaintiff, and therefore, deny such allegations. Defendants deny each and every remaining allegation in Paragraph 1.

Complaint Paragraph No. 2

Plaintiff's Route 66 Trademark is used and has been used for more than 48 years to identify the source of the 116 award winning episodes of its highly rated classic television program which was created

Los Angeles, CA 90067-3012 310,788 4400 tel 310,788 4471 fax

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and written in the 1960's by Academy Award winner "Sterling Silliphant" (In the Heat of the Night) and award winning Executive Producer Herbert Leonard (Naked City, Rin Tin Tin, Route 66) for Sony/Screen Gems Entertainment ("Sony"). Throughout the 1960's, 70's and 80's, Sony and Leonard working together used the Route 66 Trademark to identify, market and advertise their television episodes featuring two young and adventurous travelers, driving their convertible sports car (Corvette) from American town to town, in search of existential meaning and their place in American life and culture. The "Route 66" program was unique in American entertainment history, involving itinerant characters in an anthology of stories, each one filmed on location and representative of America's people, history and culture, with the Heartland of America as its backdron with the Heartland of America as its backdrop.

Answer to Paragraph No. 2

Defendants admit the term "Route 66" has historic and cultural relevance in American culture. Defendants deny that "Route 66" as a television program is unique in American entertainment history. Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 2, and therefore, deny each and every remaining allegation in Paragraph 2.

Complaint Paragraph No. 3

In the early 1990's, Leonard and Sony created, produced and distributed a new "Route 66" television program, which they again advertised, marketed and distributed using the same Route 66 Trademark, also featuring two young men in a convertible sports car traveling America in search of meaning and adventure. And throughout the 1990's, Leonard and Sony continued to promote and distribute their "Route 66" television programs, via television broadcast and video cassette, throughout the United States and around the world, creating world-wide audience recognition for the Route 66 Trademark as the source and origin of their classic entertainment content.

Answer to Paragraph No. 3

Defendants deny that the highly diluted and descriptive term "Route 66" is recognized worldwide or throughout the United States as a trademark owned by Plaintiff. Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 3, and therefore deny each and every remaining allegation in Paragraph 3.

Complaint Paragraph No. 4

In 2001, Leonard, through his wholly-owned company "Lancer Productions" ("Lancer"), sold and assigned to Plaintiff Roxbury Entertainment ("Roxbury") all of its rights in and to the "Route 66" television programs and intellectual property, including Lancer's goodwill and rights in the Route 66 Trademark, for use in connection with the production and sale of entertainment content, including but not limited to episodes of the two prior "Route 66" television programs, as well as any remakes, sequels and/or any feature film adaptations of the "Route 66" television programs and related merchandise (hereafter "Route 66 Products"). Also in 2001, Roxbury began to develop its own "Route 66" film and television programs, to be marketed and sold utilizing the Route 66 Trademark made famous by Roxbury and its predecessors-in-interest.

Answer to Paragraph No. 4

Defendants deny that "Route 66" is a trademark made famous by Roxbury and/or by its predecessors-in-interest. Defendants are without sufficient knowledge and information to form a belief as to the truth of the remaining allegations in Paragraph 4, and therefore, deny each and every remaining allegation in Paragraph 4.

Complaint Paragraph No. 5

In 2004, Roxbury acquired from Sony as the distributor of "Route 66" all of its remaining rights in and to the "Route 66" television programs and intellectual property rights therein, including but not limited to the copyrights and trademarks for "Route 66" and the right to use such copyrights and trademarks for purposes of producing and distributing remakes, sequels and feature film adaptations of "Route 66" and/or any other entertainment products and related merchandise under the "Route 66" Mark.

Answer to Paragraph No. 5

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 5, and therefore deny each and every allegation in Paragraph 5.

Complaint Paragraph No. 6

Also commencing in 2004, Roxbury commenced distribution, licensing and marketing of the existing "Route 66" television programs, and in 2005, produced, marketed and distributed the first-ever "Route 66" DVD product, featuring eleven re-edited episodes of the "Best of Route 66" with special features about the program, it's stars, its connection to the Corvette and its place in American entertainment and cultural history. And in 2005, Roxbury also commenced internet marketing and distribution of its "Route 66" television programs, and licensed Amazon to distribute the "Route 66" programs through its website.

Answer to Paragraph No. 6

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 6, and therefore deny each and every allegation in Paragraph 6.

Complaint Paragraph No. 7

In December of 2006, Roxbury obtained a Federal Trademark Registration for its Route 66 Trademark for Pre-Recorded DVDs and Videocassettes (International Class 9, prior US Classes 21, 23, 26, 36 and 38) which was registered by the US Patent and Trademark office on December 26, 2006 (Trademark Registration Certificate No. 3,189,543).

Answer to Paragraph No. 7

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 7, and therefore deny each and every allegation in Paragraph 7.

Complaint Paragraph No. 8

In January of 2007, Roxbury obtained a Federal Service Mark Registration for its Route 66 Trademark for Entertainment Services (International Class 41, prior US Classes 100, 101 and 107) which was registered by the US Patent and Trademark Office on January 2, 2007 (Trademark Registration Certificate No. 3,194,255).

Answer to Paragraph No. 8

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 8, and therefore deny each and every allegation in Paragraph 8.

Complaint Paragraph No. 9

And in September of 2007, Roxbury obtained a Federal Trademark Registration for its Route 66 Trademark for Motion Picture Films (International Class 9, prior US Classes 21, 23, 26, 36 and 38) which was registered by the US Patent and Trademark Office on September 11, 2007 (Trademark Registration Certificate No. 3,291,736).

Answer to Paragraph No. 9

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 9, and therefore deny each and every allegation in Paragraph 9.

Complaint Paragraph No. 10

For 41 years, Roxbury's predecessors-in-interest (Lancer and Sony) jointly produced, distributed, advertised and marketed their Route 66 Products prominently displaying the Route 66 Trademark to identify their source and origin, and for the past 7 years, Roxbury as the successor-in-interest to all of Sony and Lancer's rights in and to the Route 66 Products and Trademark, have continuously advertised, marketed and sold Route 66 Products utilizing the Route 66 Mark to identify the source and origin of those products, and have actively developed and produced additional entertainment products utilizing the Route 66 Trademark.

Answer to Paragraph No. 10

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 10, and therefore deny each and every allegation in Paragraph 10.

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Complaint Paragraph No. 11

In May of 2008, Roxbury learned of Defendants' exploitation of the "Route 66" Mark in connection with its Pornographic Film and DVDs, and on May 12, 2008, Roxbury's counsel sent a "cease and desist" letter to the General Counsel for Penthouse, and to the Agent for Service of Process for Pulse, demanding, inter alia, that Defendants and their co-conspirators immediately discontinue the manufacture, sale and marketing of their Pornographic Film and DVDs utilizing the Trademark "Route 66."

Answer to Paragraph No. 11

Defendants admit that Roxbury's counsel sent a "cease and desist" letter to the General Counsel for Penthouse and to the Agent for Service of Process for Pulse demanding that the Defendants immediately cease and desist use of "Route 66" as part of a title for their film and DVD. Defendants are without knowledge as to when Roxbury learned of Defendants' use of "Route 66" in connection with their title, and therefore deny that allegation. Defendants deny each and every remaining allegation in Paragraph 11.

Complaint Paragraph No. 12

On May 19, 2008, General Counsel for Defendants Penthouse responded to Roxbury's cease and desist letter with a refusal to recognize Roxbury's Registered Trademarks in "Route 66" and its outright rejection of Roxbury's demands, contending that its Pornographic Films and DVDs utilizing the "Route 66" Mark did not infringe Roxbury's Trademarks, and refusing to discontinue its manufacture, marketing and sale of its products prominently displaying the Route 66 Trademark.

Answer to Paragraph No. 12

Defendants admit that in a letter dated May 19, 2008, General Counsel for Defendants Penthouse responded to Roxbury's cease and desist letter and denied infringement. Defendants deny each and every remaining allegation in Paragraph 12.

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Complaint Paragraph No. 13

Defendant's General Counsel asserted in his responsive letter to Plaintiff's counsel that Defendants' Pornographic Film and DVDs were a "fair use" of Roxbury's Registered and Common Law Trademarks because, he contended, its use of the Route 66 Mark on the work's "cover art" was an accurate description of "the story's theme and subject matter: road related adventures transpiring on and around Route 66." In fact, nothing could be further from the truth: The content of Defendants' Pornographic Film and DVDs contains no "story" or "road-related adventure transpiring on and around Route 66." Rather, the Film is pure pornography with no more than a few seconds of dialogue (making no reference to Route 66 or adventure on the open road) preceding the oral and anal sex between and among various men and women, the Film's only story, a "story" which all takes place at the apparently fictitious "Pink Motel" and not on the open road or anywhere near Route 66.

Answer to Paragraph No. 13

Defendants admit that Penthouse's General Counsel asserted that Defendants' use was a "fair use", as well as other defenses which justify Defendants' use. Defendants affirmatively aver that the responding letter speaks for itself, and is the best evidence to what was said, as opposed to Plaintiff's characterization. Defendants deny each and every remaining allegation in Paragraph 13.

Complaint Paragraph No. 14

In Defendants' Pornographic Film and DVDs, no mention is made of the Highway "Route 66" by any of the "actors," nor is there any footage of the actual "Mother Road" or the American towns, people and culture which make up this iconic Highway. Defendants' Pornographic Film and DVDs could much more accurately be called "Sex in and Around the Pink Motel," since it has absolutely nothing to do with "Route 66" except for Defendants' blatant exploitation of Roxbury's Route 66 Trademark, on the cover art, packaging and menu of the DVD, an exploitation intended to confuse the consuming public as to the affiliation, source and origin of Defendants' product.

Answer to Paragraph No. 14

Defendants admit that actors do not mention "Route 66" by name, and further admit that there is no actual footage of the iconic and famous Route 66 and actual

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Defendants in the Complaint.

Complaint Paragraph No. 17

Venue in this Judicial District is proper under 28 U.S.C. §§1391(b) and (c) and 1400(a), in that a substantial part of the events giving rise to Roxbury's claims occurred in this Judicial District, Defendants' products, including the offending products at issue in this

litigation, are sold in this Judicial District, and one or more Defendants reside and may be found in this Judicial District, within the meaning of 28 U.S.C. §§1391(c) and 1400(a).

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Answer to Paragraph No. 17

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Defendants admit this Court has venue over the named Defendants, and that venue in this Judicial District is proper.

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THE PARTIES

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Complaint Paragraph No. 18

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Roxbury is a California corporation based in Santa Monica, California (steps from the official end of the Route 66 Highway), and is in the business of producing, acquiring and distributing entertainment content (classic television programs and motion pictures) for distribution via DVDs, the internet, and theatrical and television exhibition throughout the world. Roxbury's principal place of business is in Santa Monica, California, where Roxbury maintains an office and staff who oversee the development, production, acquisition, marketing, distribution and protection of its intellectual property, television programs, DVDs and films, throughout the United States and the world, and who oversee the licensing and merchandising of its intellectual properties, including and most significantly its "Route 66" registered Trademarks and Products.

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Answer to Paragraph No. 18

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Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 18, and therefore deny each and every allegation in Paragraph 18.

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Complaint Paragraph No. 19

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Roxbury is informed and believes, and based thereon alleges, that defendant Penthouse Media Group, Inc., doing business as "Penthouse," is a corporation organized and existing under the laws of the State of Nevada, with its principal places of business in Boca Raton, Florida, and New York, New York. Roxbury is further informed and believes, and based thereon alleges, that this Defendant produces, markets and distributes pornographic DVDs and films throughout the United States, including in this Judicial District.

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Defendant Penthouse Media Group Inc. affirmatively avers that it has changed its name to FriendFinder Networks Inc. Defendants deny that the DVDs and films produced, marketed and distributed by Defendants are pornographic, but affirmatively aver that they have an adult entertainment content. Defendants admit the remaining allegations in Paragraph 19.

Complaint Paragraph No. 20

Roxbury is informed and believes, and based thereon alleges, that defendant Penthouse Digital Media Productions, Inc., doing business as "Penthouse," is a corporation organized and existing under the laws of the State of New York, with its principal places of business in Boca Raton, Florida, and New York, New York.

Answer to Paragraph No. 20

Defendants deny that defendant Penthouse Digital Media Productions, Inc. principally does business in Boca Raton, Florida, and New York, New York. Defendants admit the remaining allegations in Paragraph 20.

Complaint Paragraph No. 21

Roxbury is further informed and believes, and based thereon alleges, that this Defendant produces, markets and distributes pornographic DVDs and films throughout the United States, including in this Judicial District.

Answer to Paragraph No. 21

Defendants deny that the DVDs and films produced, marketed and distributed by Defendants are pornographic, but affirmatively aver that they have an adult entertainment content. Defendants admit the remaining allegations in Paragraph 21.

Complaint Paragraph No. 22

Roxbury is informed and believes, and based thereon alleges, that defendant Pulse Distribution, LLC ("Pulse") is a California Limited

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DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

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Liability Company with its principal place of business in Chatsworth, California, is a company organized and existing under the laws of the State of California and conducts business in, and markets, distributes and sells pornographic films and DVDs throughout the United States and including this Judicial District.

Answer to Paragraph No. 22

Defendants deny that the DVDs and films produced, marketed and distributed by Defendants are pornographic, but affirmatively aver that they have an adult entertainment content. Defendants admit the remaining allegations in Paragraph 22.

Complaint Paragraph No. 23

Roxbury is unaware of the true names and capacities of the defendants sued herein as Does 1 through 10, inclusive, and therefore sues these defendants by fictitious names. Roxbury will seek leave of the Court to amend this Complaint to allege their true names and capacities when ascertained. Roxbury is informed and believes, and based thereon alleges, that each fictitiously named defendant is responsible in some way for the creation, production, sale and/or distribution of the infringing products at issue in this Complaint, and is liable to Roxbury therefor. Penthouse, Pulse and Does 1 through 10 are sometimes referred to collectively herein as "Defendants."

Answer to Paragraph No. 23

Defendants lack sufficient knowledge and information to form a belief as to the truth of the allegations in Paragraph 23, and therefore deny each and every allegation in Paragraph 23.

Complaint Paragraph No. 24

Roxbury is informed and believes, and based thereon alleges, that at all times relevant herein, each of the Defendants was the agent, servant or employee of each other Defendant, and at all times relevant herein was acting in whole or at least in part within the scope of such agency. As such, each and every Defendant herein is equally responsible in whole or in part for each and every act alleged herein.

Defendants lack sufficient knowledge and information to form a belief as to the truth of the allegations in Paragraph 24, and therefore deny each and every allegation in Paragraph 24.

ALLEGATIONS COMMON TO ALL CLAIMS FOR RELIEF

Complaint Paragraph No. 25

Plaintiff's Route 66 Products have been widely distributed in the United States and throughout the world continuously and pervasively since 1960. In the course of the production and distribution of these Route 66 Products, Roxbury and its predecessors in interest and licensees have expended significant effort advertising, marketing and promoting these entertainment products under titles bearing the name of, and prominently featuring, the Route 66 Mark on the products, their content, their packaging and their marketing and advertising materials.

Answer to Paragraph No. 25

Defendants lack sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 25, and therefore deny each and every allegation in Paragraph 25.

Complaint Paragraph No. 26

As a result of the success and popularity of its Route 66 Products, Roxbury and its predecessors in interest and licensees have, for almost five decades, engaged in the business of merchandising and promoting Route 66 Products throughout the US and the world.

Answer to Paragraph No. 26

Defendants lack sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 26, and therefore deny each and every allegation in Paragraph 26.

DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

Complaint Paragraph No. 27

Beginning in 2006, Roxbury duly registered the name "Route 66" as service marks and trademarks in several applicable entertainment classifications, under the Lanham Act, 15 U.S.C. §1051 et seq., and Roxbury remains to this date the exclusive owner of these Registered and Common Law Trademarks for "Route 66" on or in connection with their entertainment products and services.

Answer to Paragraph No. 27

Defendants deny that the Plaintiff is the exclusive owner of registered trademarks for the term "Route 66", and deny Plaintiff owns exclusive rights to the historic and iconic term "Route 66" for all entertainment products and services. Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 27, and therefore deny each and every remaining allegation in Paragraph 27.

Complaint Paragraph No. 28

Roxbury and its predecessors-in-interest have developed an excellent reputation and highly valuable goodwill in the Route 66 Trademark, and the products, goods and services featuring that Trademark. Through the consistent and extensive advertising and widespread distribution and success of Roxbury's Products featuring the Route 66 Trademark, the advertising and distribution of merchandise featuring the Route 66 Trademark, and the use of the Route 66 Trademark in national and/or regional advertising campaigns, a secondary meaning has been created in the minds of the public throughout the United States, and throughout the world, by which the Route 66 Trademark has become strongly identified and associated with Route 66 Trademark has become strongly identified and associated with Roxbury and Roxbury's series of television programs, films, DVDs and merchandise featuring the Route 66 Mark. Roxbury therefore has acquired common law trademark rights in the Route 66 Trademark in addition to its federally-registered Route 66 Marks.

Answer to Paragraph No. 28

Defendants deny that Plaintiff has developed highly valuable goodwill in the Route 66 Trademark, deny that a secondary meaning exists in the minds of the public throughout the United States and throughout the world by which the Route 66 Trademark has been identified and associated with Roxbury and deny that Roxbury

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DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

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has acquired common law trademark rights in the Route 66 Trademark. Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 28 and therefore, deny each and every remaining allegation in Paragraph 28.

Complaint Paragraph No. 29

In addition, and also as a result of the extensive advertising and widespread distribution and success of Roxbury's Route 66 Products, the advertising and distribution of merchandise featuring the Route 66 Trademark, and the use of the Route 66 Trademark in national and/or regional advertising campaigns, the Route 66 Trademarks are famous throughout the United States and the world and are immediately recognizable to and known by the public.

Answer to Paragraph No. 29

Defendants admit the term "Route 66" is famous, historic and iconic in America, as well as known by the public, but deny the public recognizes the term as a trademark owned exclusively by Plaintiff. Defendants lack sufficient knowledge or information to form a belief as to the remaining allegations in Paragraph 29, and therefore deny each and every remaining allegation in Paragraph 29.

Complaint Paragraph No. 30

Roxbury is informed and believes, and based thereon alleges, that Defendants have exploited Defendants' Pornographic Film and DVDs, prominently featuring and exploiting the Route 66 Trademark, by without limitation, advertising and distributing such products in interstate commerce and throughout the United States, including Los Angeles.

Answer to Paragraph No. 30

Defendants admit that they have distributed products in interstate commerce, including in Los Angeles. Defendants deny each and every remaining allegation in Paragraph 30.

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Complaint Paragraph No. 31

Roxbury has demanded that Defendants cease selling Defendants' Pornographic Film and DVDs featuring and exploiting the Route 66 Trademark, but Defendants have refused to do so.

Answer to Paragraph No. 31

Defendants admit Roxbury has demanded the Defendants cease selling DVDs and film featuring the title "Route 66". Defendants deny each and every remaining allegation in Paragraph 31.

Complaint Paragraph No. 32

Defendants have never sought from Roxbury, nor has Roxbury every granted Defendants, permission or consent to utilize or exploit the Route 66 Trademark on or in connection with any goods or merchandise or for any purpose whatsoever, or to authorize others to engage in any of the foregoing activities.

Answer to Paragraph No. 32

Defendants admit the allegations in Paragraph 32.

Complaint Paragraph No. 33

By designing, manufacturing, reproducing, advertising, marketing, displaying, selling, distributing and otherwise exploiting their Pornographic Film and DVDs featuring the Route 66 Trademark, and/or by authorizing or contributing to the foregoing, Defendants have obtained for themselves a benefit which is otherwise paid for by others and have obtained valuable property rights belonging to Roxbury without having paid for them.

Answer to Paragraph No. 33

Defendants deny each and every allegation in Paragraph 33.

FIRST CLAIM FOR RELIEF

Against All Defendants for Violation of

Section 43(a) of the Lanham Act

Complaint Paragraph No. 34

Roxbury Entertainment realleges and incorporates by this reference the allegations contained in paragraphs 1 through 33, inclusive, as though they were fully set forth herein.

Answer to Paragraph No. 34

Defendants incorporate their answers to Paragraphs 1 through 33 as their answer to Paragraph 34.

Complaint Paragraph No. 35

By, without limitation, designing, manufacturing, reproducing, importing, advertising, marketing, displaying, selling, distributing, licensing and otherwise exploiting Defendants' Pornographic Film and DVDs prominently bearing the trademark "Route 66" on the product, its packaging and its marketing and advertising materials, Defendants have created, and will continue to create, a likelihood of confusion in the marketplace as to the source of Defendants' Pornographic Film and DVDs, and have falsely created the impression in the minds of the consuming public that Defendants are somehow associated, affiliated or connected with Roxbury Entertainment and its Route 66 Products, that Roxbury sponsored or endorsed the merchandise at issue, and/or that Roxbury approved or authorized Defendants' use of its Route 66 Trademark on Defendants' Pornographic Film and DVDs. Such conduct violates Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a).

Answer to Paragraph No. 35

Defendants deny each and every allegation in Paragraph 35.

Complaint Paragraph No. 36

As a direct and proximate result of Defendants' wrongful conduct, Roxbury has been damaged and is entitled to recover Defendants' wrongfully obtained profits and three times Roxbury's actual damages, pursuant to 15 U.S.C. §1117(a).

DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

Defendants deny each and every allegation in Paragraph 36.

Complaint Paragraph No. 37

Defendants' violation of the Lanham Act has caused and will cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary and permanent injunctive relief preventing Defendants from continuing to use the Route 66 Trademark on or in connection with the sale of its Pornographic Film or DVDs, or any confusingly similar variations, or in connection with any products, goods or services.

Answer to Paragraph No. 37

Defendants deny each and every allegation in Paragraph 37.

Complaint Paragraph No. 38

Defendants engaged in the foregoing conduct knowingly, willfully and oppressively, intending to appropriate Roxbury's intellectual property to the detriment of Roxbury and to the confusion of the public. This constitutes an exceptional case within the meaning of Section 35 of the Lanham Act, 15 U.S.C. §1117, for which Roxbury should recover its attorneys' fees and costs incurred in connection herewith.

Answer to Paragraph No. 38

Defendants deny each and every allegation in Paragraph 38.

SECOND CLAIM FOR RELIEF

Against All Defendants for Federal Trademark Infringement Complaint Paragraph No. 39

Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 38, inclusive, as though they were fully set forth herein.

Defendants incorporate their answers to Paragraphs 1 through 38 as their answer to Paragraph 39.

Complaint Paragraph No. 40

Defendants' unauthorized use of a counterfeit, copy or precise imitation of Roxbury's Registered Trademarks on and in connection with Defendants' Pornographic Film and DVDs creates confusion in the marketplace and constitutes an infringement of Roxbury's Registered Trademarks in violation of 15 U.S.C. §1114. Roxbury is informed and believes, and based thereon alleges, that Defendants' use and exploitation of the Route 66 Mark was willful, intentional, that Defendants were aware and are aware of Roxbury's Registered and Common Law Trademarks, and that Defendants purposefully used Roxbury's Trademarks to trade on Roxbury's reputation, to cause confusion, mistake and/or deception, and to take advantage of the goodwill and public recognition associated with the Route 66 Trademarks for their own commercial advantage.

Answer to Paragraph No. 40

Defendants deny each and every allegation in Paragraph 40.

Complaint Paragraph No. 41

As a direct and proximate result of Defendants' trademark infringement, Roxbury has been damaged and is entitled to recover Defendants' wrongfully obtained profits and three times Roxbury's actual damages, pursuant to 15 U.S.C. §1117(a).

Answer to Paragraph No. 41

Defendants deny each and every allegation in Paragraph 41.

Complaint Paragraph No. 42

Defendants' trademark infringement has caused and will cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary and permanent injunctive relief preventing Defendants from continuing to use Roxbury's Route 66 Trademark, or any confusingly similar variations, on or in connection with any products, goods or services.

DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

Defendants deny each and every allegation in Paragraph 42.

Complaint Paragraph No. 43

Defendants engaged and continue to engage in the foregoing conduct knowingly, willfully and oppressively, intending to appropriate Roxbury's intellectual property to the detriment of Roxbury and to the confusion of the public. This constitutes an exceptional case within the meaning of Section 35 of the Lanham Act, 15 U.S.C. §1117, for which Roxbury should recover its attorneys' fees and costs incurred herein.

Answer to Paragraph No. 43

Defendants deny each and every allegation in Paragraph 43.

THIRD CLAIM FOR RELIEF

Against All Defendants for Violation of

Federal Anti-Dilution Law (15 U.S.C. §1125(c))

Complaint Paragraph No. 44

Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 43, inclusive, as though they were fully set forth herein.

Answer to Paragraph No. 44

Defendants incorporate their answers to Paragraphs 1 through 43 as their answer to Paragraph 44.

Complaint Paragraph No. 45

By, without limitation, designing, manufacturing, reproducing, importing, advertising, marketing, displaying, selling, distributing, licensing and otherwise exploiting Defendants' Pornographic Film and DVDs, Defendants have created, and will continue to create, a likelihood of dilution and tarnishment of the distinctive and superior quality of Roxbury's famous Route 66 Trademark and Route 66 Products, because Roxbury cannot control the quality of Defendants'

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DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

merchandise or the manner in which Defendants utilize that Trademark on and in Defendants' merchandise.

Answer to Paragraph No. 45

Defendants deny each and every allegation in Paragraph 45.

Complaint Paragraph No. 46

Defendants' Pornographic Film and DVDs are grossly inferior products to those of Plaintiff, featuring little or no dialogue by "actors" who display no apparent acting talent and are so embarrassed by their performances that they use pseudonyms to hide their true identities, and contain no storylines or themes other than the very graphic exhibitions of oral, anal and violent sex between and among various men and women in a random fashion.

Answer to Paragraph No. 46

Defendants deny each and every allegation in Paragraph 46.

Complaint Paragraph No. 47

Roxbury is informed and believes, and based thereon alleges, that Defendants' use and exploitation of the Route 66 Trademarks was willful and intentional, that Defendants were and are aware of Roxbury's Registered and Common Law Trademarks, and that Defendants purposefully used and continue to use Roxbury's Trademarks to trade on Roxbury's reputation, to cause confusion, mistake and/or deception, and to take advantage of the goodwill and public recognition associated with the Route 66 Trademark and Products for their own commercial advantage.

Answer to Paragraph No. 47

Defendants deny each and every allegation in Paragraph 47.

Complaint Paragraph No. 48

Accordingly, as a direct and proximate result of Defendants' wrongful conduct, Roxbury has been substantially damaged and is entitled to recover Defendants' wrongfully obtained profits and three times Roxbury's actual damages, pursuant to 15 U.S.C. §1117(a).

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Defendants deny each and every allegation in Paragraph 48.

Complaint Paragraph No. 49

Defendants' violation of the Federal Anti-Dilution Law has caused and will cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary and permanent injunctive relief preventing Defendants from continuing to use Roxbury's Route 66 Trademarks, or any confusingly similar variations, on or in connection with any products, goods or services.

Answer to Paragraph No. 49

Defendants deny each and every allegation in Paragraph 49.

Complaint Paragraph No. 50

Defendants engaged and continue to engage in the foregoing conduct knowingly, willfully and oppressively, intending to appropriate Roxbury's intellectual property to the detriment of Roxbury and to the confusion of the public. This constitutes an exceptional case within the meaning of Section 35 of the Lanham Act, 15 U.S.C. §1117, for which Roxbury should recover its attorneys' fees and costs incurred herewith.

Answer to Paragraph No. 50

Defendants deny each and every allegation in Paragraph 50.

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FOURTH CLAIM FOR RELIEF

Against All Defendants for Violation

of State Anti-Dilution Law

(California Business & Professions Code §14330)

Complaint Paragraph No. 51

Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 50, inclusive, as though they were fully set forth herein.

Answer to Paragraph No. 51

Defendants incorporate their answers to Paragraphs 1 through 50 as their answer to Paragraph 51.

Complaint Paragraph No. 52

Roxbury's Route 66 Trademark is a strong and well recognized mark and thus entitled to protection as a "distinctive mark" under the California Anti-Dilution statute, California Business and Professions Code §14330.

Answer to Paragraph No. 52

Defendants deny each and every allegation in Paragraph 52.

Complaint Paragraph No. 53

By, without limitation, designing, manufacturing, reproducing, importing, advertising, marketing, displaying, selling, distributing, licensing and otherwise exploiting Defendants' Pornographic Film and DVDs, Defendants have created, and will continue to create, a likelihood of injury to Roxbury's business reputation and/or dilution of the distinctive quality of the Route 66 Trademarks, and Roxbury's reputation and products associated therewith, in violation of the California Business and Professions Code §14330(a).

Answer to Paragraph No. 53

Defendants deny each and every allegation in Paragraph 53.

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Complaint Paragraph No. 54

As a direct and proximate result of the foregoing conduct of Defendants, Roxbury has suffered and continues to suffer monetary damages and is therefore entitled to an award of such damages in an amount to be proven at trial.

Answer to Paragraph No. 54

Defendants deny each and every allegation in Paragraph 54.

Complaint Paragraph No. 55

Defendants' violation of California's Anti-Dilution Law has caused and will continue to cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary and permanent injunctive relief preventing Defendants from continuing to use Roxbury's Route 66 Trademarks, or any confusingly similar variations, on or in connection with its Pornographic Film and DVDs and/or any other products, goods or services.

Answer to Paragraph No. 55

Defendants deny each and every allegation in Paragraph 55.

FIFTH CLAIM FOR RELIEF

Against All Defendants for Common Law Unfair Competition

Complaint Paragraph No. 56

Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 55, inclusive, as though they were fully set forth herein.

Answer to Paragraph No. 56

Defendants incorporate their answers to Paragraphs 1 through 55 as their answer to Paragraph 56.

DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

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Complaint Paragraph No. 57

By their conduct as alleged above, Defendants have violated and infringed Roxbury's common law rights in its Route 66 Trademarks, and have otherwise competed unfairly with Roxbury and Roxbury's authorized licensees in violation of the common law of the State of California.

Answer to Paragraph No. 57

Defendants deny each and every allegation in Paragraph 57.

Complaint Paragraph No. 58

As a direct and proximate result of Defendants' conduct, Roxbury has suffered and is entitled to monetary damages in an amount to be proven at trial.

Answer to Paragraph No. 58

Defendants deny each and every allegation in Paragraph 58.

Complaint Paragraph No. 59

By their conduct as described above, Defendants have engaged in outrageous and despicable conduct and have acted with ill will, malice and oppression toward Roxbury and in conscious disregard of Roxbury's rights. Roxbury is therefore entitled to recover, in addition to actual damages, exemplary and punitive damages under California Civil Code §3294, in an amount sufficient to punish and make an example of Defendants.

Answer to Paragraph No. 59

Defendants deny each and every allegation in Paragraph 59.

Complaint Paragraph No. 60

Defendants' unlawful conduct has caused and continues to cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, in addition to monetary relief, Roxbury is entitled to preliminary injunctive relief enjoining Defendants from engaging in further acts of unfair competition.

Defendants deny each and every allegation in Paragraph 60.

SIXTH CLAIM FOR RELIEF

Against All Defendants for Statutory Unfair Competition

(California Business & Professions Code §17200 et seq.)

Complaint Paragraph No. 61

Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 60, inclusive, as though they were fully set forth herein.

Answer to Paragraph No. 61

Defendants incorporate their answers to Paragraphs 1 through 60 as their answer to Paragraph 61.

Complaint Paragraph No. 62

By their conduct as described above, Defendants have intentionally and willfully engaged in unlawful, unfair and fraudulent methods of competition, and unfair or deceptive acts or practices in violation of \$17200 et seq. of the California Business and Professions Code.

Answer to Paragraph No. 62

Defendants deny each and every allegation in Paragraph 62.

Complaint Paragraph No. 63

Defendants' conduct has caused and will cause irreparable harm to Roxbury which cannot be fully compensated by money. Roxbury has no adequate remedy at law. Therefore, Roxbury is entitled to preliminary and permanent injunctive relief enjoining Defendants from engaging in further unfair and deceptive trade practices.

Answer to Paragraph No. 63

Defendants deny each and every allegation in Paragraph 63.

DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

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Complaint Paragraph No. 64

Roxbury is further entitled to an order pursuant to §17203 of the California Business and Professions Code restoring to Roxbury all of its interest in monies that were acquired by Defendants by means of any unlawful acts or practices hereunder.

Answer to Paragraph No. 64

Defendants deny each and every allegation in Paragraph 64.

SEVENTH CLAIM FOR RELIEF

Against All Defendants for Unjust Enrichment

Complaint Paragraph No. 65

Roxbury realleges and incorporates by this reference the allegations contained in paragraphs 1 through 64, inclusive, as though they were fully set forth herein.

Answer to Paragraph No. 65

Defendants incorporate their answers to Paragraphs 1 through 64 as their answer to Paragraph 65.

Complaint Paragraph No. 66

By their conduct as alleged above, Defendants have unjustly retained a benefit to the detriment of Roxbury, and such benefit violates the fundamental principles of justice, equity and good conscience.

Answer to Paragraph No. 66

Defendants deny each and every allegation in Paragraph 66.

Complaint Paragraph No. 67

Accordingly, Roxbury is entitled to an order requiring Defendants to disgorge any and all such ill-gotten gains to Roxbury.

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DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES

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Answer to Paragraph No. 67

Defendants deny each and every allegation in Paragraph 67.

AFFIRMATIVE DEFENSES

First Affirmative Defense

Plaintiff's Complaint fails to state a claim upon which relief could be granted.

Second Affirmative Defense

Any rights owned by Plaintiff are extremely weak, as the term "Route 66" is part of the lexicon of America and has historic and cultural significance. As a result, it is highly diluted and has been used for many years by numerous third parties in connection with a variety of goods and services, including, but not limited to, entertainment products and services. As such, and by reason of Plaintiff's failure to police and enforce its perceived rights against third parties, any rights owned by Plaintiff have either been waived, or are too narrow to stop the use complained of here.

Third Affirmative Defense

Plaintiff has failed to plead sufficient facts demonstrating any claimed rights or valid assignments from their alleged predecessors-in-interest.

Fourth Affirmative Defense

Plaintiff has failed to plead facts sufficient to show an ownership interest in the trademarks in question.

Fifth Affirmative Defense

Plaintiff's claimed mark does not qualify as a "famous" mark under the Lanham Act, and the term "Route 66" is already highly diluted. Therefore, its dilution claim must be dismissed.

Sixth Affirmative Defense

To the extent Plaintiff's state law claims seek relief that is inconsistent with limitations under Federal law, these claims are barred by preemption.

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Seventh Affirmative Defense

Plaintiff's claims are barred under the equitable doctrine of unclean hands. Specifically, on information and belief, Plaintiff and its predecessors-in-interest, falsely claimed exclusive rights and/or continuous use in regard to the trademarks in question and therefore, committed fraud on the United States Patent and Trademark Office.

Eighth Affirmative Defense

The "Route 66" term is merely descriptive as it is an icon in American culture and it is descriptive of themes involving American culture along the iconic highway, irrespective of whether that highway is actually depicted in works of art.

Ninth Affirmative Defense

Defendants' use of "Route 66" in combination with use of Penthouse's famous housemark PENTHOUSE is a fair use authorized by the Lanham Act and authorized by well recognized cases dealing with titles where the term has artistic relevance to the underling work (see e.g. Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 902 (9th Cir. 2002)).

Tenth Affirmative Defense

Defendants' use of "Route 66" is protected expression under the First Amendment of the United States Constitution.

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WHEREFORE, Defendants, Penthouse Media Group Inc., a Nevada corporation, n/k/a FriendFinder Networks Inc., Penthouse Digital Media Productions, Inc., a New York corporation and Pulse Distribution, LLC, a California LLC, pray for dismissal of all claims against them, for judgment in their favor, and for an award of attorney's fees as the prevailing party pursuant to 15 U.S.C. § 1117. Additionally, pursuant to § 37 of the Lanham Act, 15 U.S.C. § 1119, Defendants request that Plaintiff's trademark registrations be cancelled for the reasons set forth above in the Affirmative Defenses.

Respectfully submitted this 30th day of July, 2008.

PENTHOUSE MEDIA GROUP INC. a Nevada corporation, n/k/a FriendFinder Networks Inc.; PENTHOUSE DIGITAL MEDIA PRODUCTIONS, INC., a New York corporation; PULSE DISTRIBUTION, LLC, a California LLC

By: /s/ Kristin L. Holland
One of Their Attorneys

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DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES